

**PHD THESIS SUMMARY:  
Redefining Universal Development from and at the Margins:  
Indian Economics' Contribution to Development Discourse,  
1870–1905**

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The East must produce its own thinkers, its own historians, its own economists.<sup>1</sup>

— Romesh Chunder Dutt

The economic historian, civil servant, translator, and politician, Romesh Chunder Dutt, uttered these words in 1905. Despite acknowledging that the great political economists of Europe such as Adam Smith, David Ricardo, and John Stuart Mill had “opened out a new world to [him]”, Dutt saw the need for more appropriate theories rooted in Indian experience and history (Gupta 1911, 382–389). Dutt wrote that the European political economists did not sufficiently or effectively study India, “even [J. S.] Mill, who was thirty years in the India Office, [...] does not venture to touch on Indian problems in his ‘Political Economy’” (reprinted in Gupta 1911, 388). European scholarship did not adequately take into consideration Eastern thought and experiences. Even today, Indian economists such as Kaushik Basu and Partha Dasgupta make the same argument. My research shows that Dutt, along with his Indian contemporaries, successfully fulfilled the goal of the East producing its own economists. In the late nineteenth century, a group of Indian intellectuals, political activists, lawyers and civil servants—including Dutt, Mahadev Govind Ranade, Dadabhai Naoroji, Ganesh Vyankatesh Joshi, Ganapathy Dikshitar Subramania Iyer, Prithwis Chandra Ray, Surendranath Banerjea, Kashinath Trimbak Telang, and Gopal Krishna Gokhale—incorporated Indian particulars into what they and many scholars labelled thereafter Indian Economics, attempting

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<sup>1</sup> A contribution to the *Wednesday Review* by Dutt, 23rd August 1905, reprinted in Gupta (1911, 383–389).

to highlight previously undocumented discursive innovation present in the late nineteenth-century Indian Economics' idea of development.

Since the 1870s, these individuals had growing concerns about existing ideas of development being inapplicable to India. The debate culminated in a lecture by Ranade at the Deccan College, Poona in 1892, which called for the establishment of Indian Economics. The lecture hall would have been filled with Indian students, and probably some officials, as the College's location was the summer capital of the imperial administration. Deccan College was part of the imperial university system, a prominent place for Indian intellectuals and one of the oldest modern educational institutions in India. The first generation of graduates from the imperial universities, including the intellectuals listed above, had started to publish studies on India's poor socio-economic conditions in the 1870s. Ranade's inauguration of an Indian Economics placed the increasing number of studies under its intellectual umbrella. The research produced theories, concepts, ideas and solutions for India's (often distinct) problems.

My thesis analyses and explains how Indian Economists from 1870 to 1905 redefined development. Here are the most significant and innovative ideas that came out of the Indian Economics conception of development. First, Amartya Sen's well-known famine theory, stipulating that famines are not caused by a lack of food supply but by a lack of access to food is clearly present in Dutt's work. Dutt is known as the founding economist of agricultural economics in India. He, unlike thinkers before him, went out into the rural areas to gather data and see for himself the pressing issues of the rural populations. His several books and articles on the subject show that the cause of famines was not India's inability to produce enough food to feed its population, but rather the people's inability to buy ever more expensive food exacerbated by drought and imperial rule. Dutt predated Sen's widely known thesis that famines are a socio-political rather than a natural phenomenon.

Second, the late nineteenth-century Indian Economists, especially Ranade and Naoroji, conceptualised a dependent imperial economy. An economy that depended on its foreign rulers for demand, development, politics, infrastructure, and education. The dependence, according to Ranade and Naoroji, had ruralised the Indian economy and drained Indian resources. India had no chance of developing—as promised through the imperial rule's civilising mission—due increasingly to British domestic tariff barriers discouraging Indian textile exports and the drain of Indian money in the form of tax payments. The Indian economy could and would

not behave like other non-imperial territories. Anyone familiar with mid-twentieth-century dependency theorists will recognise that late nineteenth-century Indian Economics was on to something more than half a century before the now wide-spread South American dependency school.<sup>2</sup>

Third, the late nineteenth-century Indian Economists reinstated an eighteenth-century theory of regress. Some of the eighteenth-century thinkers, such as Smith, talked of periods of progress and regress as normal fluctuations in the economy. Yet, by the late nineteenth century with industrialisation producing rapid progress across western Europe, economists, to a large degree, assumed constant progress. The Indian experience was different. By the end of the century, the Indian textile industry, which had been traded all over the globe for centuries, was now in ruins. There was much overcrowding and subsequent poverty in the agricultural sector where former textile workers had fled. The concerns and theories associated with this idea of regress will certainly resonate with development economists today critical of the Washington Consensus and free market liberalism practised by the large international organisations—the World Bank and International Monetary Fund—that supposedly mandated to eradicate poverty (Cornia 2016; Cornia, Jolly, and Stewart 1987; Woodward 1992; Stewart 2018, 15).

Fourth, my analysis concludes that Indian Economics redefined the concept of universality in the existing idea of development in the nineteenth century by rejecting the widely accepted international division of labour and the dominant assertion that progress originated in Europe. India, according to Indian Economics, could and should industrialise like all other nations because the idea of universal development in Indian Economics adopted a world view that saw universal progress or positive societal change as beneficial to all rather than as a zero-sum game necessarily involving winners and losers.

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<sup>2</sup> Dependency theory emerged in the mid-twentieth century with Raúl Prebisch, Hans Singer, and Paul Baran. They argued that integrating periphery countries (primarily current or former colonies) into the world market made them poorer due to the dependent nature of these weaker economies in the current global, political and economic framework (e.g. Britain forced free trade onto India) (Prebisch 1950; Singer 1950; Baran 1957). Prebisch, Singer, and Baran were responding to modernization theory according to which societies progress through similar stages. The Singer-Prebisch thesis, one of the main models in dependency theory, rejects that view and instead argues that periphery countries are not just primitive versions of the core (more advanced) countries because the former countries have their own unique structures and history.

Finally, Indian Economics had a unique set of multidiscursive and multispatial contextual determinants that produced a distinct idea of development resembling the much more recent discourse of multiple or alternative modernities (Washbrook 1997; Eisenstadt 2003). Indeed, as both the Indian Economists argued and David Washbrook argues today, India has progressed with its own logics of development, different from those seen in Europe and North America (Washbrook 1997; 2012, 67; Ranade 1906, 1–42). In a current climate of near stagnating progress, Indian Economics could offer an innovative, more localised and simultaneously international perspective on the pressing issues of decreasing poverty, reversing the trend of rising inequality and producing much needed employment.

My thesis complements recent research in social history and history of political and economic thought that attempts to contextualise Indian intellectuals' conceptualisation of nationalism at the turn of the nineteenth century (Goswami 2004; Chatterjee 1993). My contribution to the field of history of economics is especially novel as few studies have given these Indian Economists the same level of creditability as economic theorists and practitioners as I do in my research. Moreover, although recent International Political Economy (IPE) scholarship has started to encourage a global perspective, historical research in the field is still centred on European and American contributions. My research aims to fill that gap by analysing Indian Economics development discourse that emerged in a period of political conflict and poor socio-economic conditions which brought into question the legitimacy of British imperial rule.

Why have the Indian Economists so rarely been seen or analysed as economists? The answer lies in their position at the margins of discursive space. Indian Economics was and is considered a marginal economic theory. The research was disseminated through lectures at universities and various societies and conferences, as well as in published books and articles largely in English. Yet, the lectures, conferences, and publications were almost exclusively held in India, and if not in India, predominantly consumed by Indian and anti-imperialist audiences in Britain. For instance, a large amount of the articles was published in the journal that Ranade founded in 1870, *Quarterly Journal of Poona Sarvajanic Sabha*, to create a space for Indian intellectuals to publish their research. The Indian Economists were not getting published in British economic journals or even treated as economists. In the eyes of many imperial officers and British intellectuals, the Indian Economists were political activists

fighting for Indian self-rule, not economists creating knowledge. As a review of one of Dutt's texts clearly read: Dutt is said to have written "without 'any intention to make any new discoveries'" and his book is "saturated with Western ideas".<sup>3</sup> Much twentieth-century literature agrees with this, see for example Chandra (1966).

As shown in studies on imperial knowledge formation and education, Indians were taught a Western curriculum and blamed for only regurgitating existing ideas from Europe and neglecting to transform ideas into original thought. I therefore label the idea of development within Indian Economics as marginal, both because the Indian Economists were situated at the margins of intellectual circles and because the discourse on development within Indian Economics contributed to the dominant idea of development at the margins. While dominant ideas are more widely accepted and disseminated, marginal ideas still exist. Marginal ideas are often overlooked, ignored, or misunderstood. Studying the marginalisation and margins of development discourse offers a unique perspective from the margins of the overall debate around development.

Dominant narratives, like the European idea of progress and development, minimise other ways of describing and theorising the world. History often only includes accounts of winners and relatively powerful societal groups or individuals. Within the discipline of the history of ideas and more specifically in the history of economics, studies are predominately about well-known figures such as Smith and Ricardo, while lesser known figures are rarely cited or analysed. I address this gap by unpacking the production and diffusion of alternative discourses on development by focusing on a group of Indian scholars writing from the margins of the British Empire from 1870 to 1905.

My thesis uncovers the largely ignored discursive innovation in Indian Economics at the margins of development discourse. I challenge dominant narratives and interpretations of global societal change and development by focusing on the local debates on development that took place in late-nineteenth-century India. Highlighting the often overlooked and marginal discourses makes it possible to challenge both historical narratives and contemporary conceptions of development. For example, Hobson uncovered what he called the Oriental West—that is, Eastern contributions to the rise of the West (Hobson 2004). Washbrook has come to similar conclusions (Washbrook 2012, 2009). Dominant discourse often

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<sup>3</sup> Max Müller's assistant's review of Dutt's *A History of Civilization in Ancient India* quoted in Gupta (1911, 127).

displaces human agency. As a result, my alternative approach that presumes human agency of all interlocutors can help to deconstruct historical narratives and economic theories (as is also argued by Inden 1990, 264). My study helps to deal more adequately with diversity and better recognise agency of diverse socio-political communities, as well as create conceptual space for other possible development paths.

Nevertheless, finding a new definition of progress and development that is less like an artefact of ideology and more like a contemporary tool that can be used to analyse processes of change, is, to some extent, infeasible. Indeed, my dialogical approach informed by Mikhail Bakhtin helped me understand that all utterances are laden with ideology because they are uttered by people who have their own unique experiences and biases (see, for example, Bakhtin 1986, 1981). No utterance is free of some ideology. Yet, what I show in my thesis is that the position of marginal discourses at the margins of discursive space offers the interlocutors uttering such discourse a unique perspective. The distinctive positioning pushes the interlocutors to critique dominant discourse that contradicts their lived experiences and rework those shared dominant meanings. For instance, India in the late nineteenth century experienced its most severe famines in its then history and seemed to regress rather than progress despite the dominant idea of progress which saw positive change as a given.

Interlocutors at the margins had a different perspective of the world—this is literally the case when we reflect on the fact that the Indian economists were in India and England, and interlocutors associated with the dominant discourse such as List and Ricardo were in Europe and North America. I argue that the physical and social position of interlocutors both constrains *and* facilitates meaning-making; the Indian economists had Western educational training imposed on them, but their vantage point meant that they could imagine an industrialised West *and* East. In this way, Indian Economics successfully produced a tool for viewing contemporary countries dealing with societal change that includes both global and local forces.

I do not contend, however, that the definitions of progress and development in the dominant and marginal realms of discourse are always distinguishable. The line between what is dominant and what is marginal, what is European or Western and what is Indian can be blurred and difficult to identify. Yet, I argue that by carefully analysing the discourses be-

tween interlocutors across borders and assigning agency to all interlocutors, my analysis shows some Indian originality at the margins of development discourse.

That is not to say that the Indian Economics conception of development clarifies and improves on all issues to do with progress and development. First, the natural analogies found in Indian Economics' explanation of societal change seem to explain away too many societal practices. Natural analogies can restrict the focus of research and hence the understanding of how society changes. For example, natural analogies compare societal institutions to the functions of human organs. All humans have, more or less, the same organs. Yet, is it also true that all societies have the same institutions? A basic comparison of institutions even across countries that are considered to be in the same stage of progress would make anybody realise that institutions tend to vary from place to place. Thus, comparing how societies change to human growth seems counter-productive. The comparison makes it particularly difficult to explain the kinds of refractions of societal change that Indian Economics wants to theorise in late-nineteenth-century India. Perhaps social science, such as political economy, should move away from using metaphors from the natural sciences. Societies change in a more complex, random, and chaotic way than these natural analogies evoke.

Second, Indian Economics inadequately dealt with global competition. What role would competition play if all countries industrialised? Is it feasible to theorise that when all countries industrialised free trade would bring about development? Finally, how can global industrialisation really be brought about in a world where nationalist leanings coupled with anti-globalisation discourses are increasing? Anti-globalisation leaves little room to imagine the kind of resource circulation and distribution needed to bring about industrialisation in countries like India and continents like Africa. There is more research and theorising to be done in order to build on our conceptualisation of societal change, construction, and implementation of more effective development practices.

Additional discourse analysis on the other Indian economists at this time would also be useful for further research. I chose to focus on three key protagonists who wrote extensively and actively sought to study the Indian economy. However, there are individuals who could be further analysed. I brought some additional interlocutors into my analysis as and when they had conflicting viewpoints and theories not seen in my main protagonists' discourse—including Joshi, Iyer, Telang, Gokhale. In other

words, my thesis is not intended as a final word. I hope to do and see further research that assigns agency to many more marginalised figures in discursive spaces.

Finally, one might ask, how is my research relevant for modern economics? The crisis has left a vacuum as to how we can deal with the subsequent negative economic trends. The crisis showed us that market solutions may not be the answer, but the world is having a hard time moving away from that tendency towards deregulation. Can looking back in time get some of the ideas we need? The idea of development found within Indian Economics can help us to redefine our modern understanding of how to bring about positive change—for example, how to industrialise and how to lower poverty in India. Development may have a dominant meaning, wrought with eurocentricities and historical, spatial rigidities; but, if the imperialised Indian Economists were able to push at the boundaries of late-nineteenth-century ideas of development, so can we today challenge and shift our modern ways of dealing with economic development.

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